REQUEST FOR QUOTATION Addendum #1

State of West Virginia
Offices of the Insurance Commissioner

INS13017

Questions for the state of West Virginia Offices of the Insurance Commissioner (OIC)

1. Does the West Virginia Insurance Division utilize the NAIC Citrix server for their financial examinations? If not do they utilize their own server?

Answer: We can utilize the NAIC Citrix server or the Vendors.

2. If the West Virginia Insurance Division does not utilize a server application, can we use our company server application to complete the examination?

Answer: See response #1.

3. Does the West Virginia Insurance Division allow off site field work or do they require the examination staff to be on site the entire examination?

Answer: Off-site field work is allowed with approval of the Chief Examiner.

4. Can you provide us with the latest annual statement, examination report and CPA report for each of the companies?

Answer: To obtain copies of this information, please go to http://www.wvinsurance.gov/ or send an email request to Bids@wvinsurance.gov.

5. How many copies of each proposal should be sent?

Answer: Please submit 1 (one) original and 4 (four) copies.

6. Please clarify the deadline for submission of the bid?

Answer: All bids must be received and time stamped by March 6, 2013 @ 1:30 p.m. Any bid received after this date and time will be disqualified.

7. How many copies are required?

Answer: See response #5.

8. Please provide the number of staff and the level you are seeking for this RFQ. (i.e one EIC, one staff, one actuary, one IT, etc.)

Answer: 1 each of EIC, Actuary and IT specialist.

9. How many Department's staff will assist with this project?

Answer: 1 to 2.

10. Please clarify if the responses should be mailed to you or e-mail is acceptable?

Answer: Our preferred method is to receive bids via mail at 1124 Smith Street, Charleston, WV 25301. However, we will accept bids via email at Bids@wvinsurance.gov.

11. Can you please let me know how to get the prior report of examination for the companies in the RFQ?

Answer: See response #4.

12. Can you also provide me with additional information on the business registration? I have signed up and have a user name and password. What else do I need to do?

Answer: You do not have to be a registered vendor to participate in the bid process. However, In order for the State of West Virginia to engage in an agreement, your company will have to be registered with the Department of Administration, Purchasing Division, the Secretary of State office, and the WV Tax Department. Please use the following web-links to access the information needed to complete the registration processes.

- http://www.state.wv.us/admin/purchase/vrc/default.html
- http://www.sos.wv.gov/business-licensing/Pages/FormIndexforBusinessFilings.aspx
- https://www.business4wv.com/B4WVPublic/default.aspx
- 13. Was the prior exam conducted on a "Risk Focused" or "SRA" basis?

Answer: Risk-focus

14. How many man-days did each of the prior exams take?

Answer: Approximately 90. This exam is expected to take less hours since we will leverage off of other states work papers.

15. Was the prior exam performed by WVOIC or a vendor?

Answer: Vendor

16. Is company governed by SOX or MAR?

Answer: MARS

17. What is the risk recommendation by Financial Analysis for each company?

Answer: The company is a for-profit HMO domiciled in the State of West Virginia. The Company is licensed throughout WV and is licensed in eleven (11) counties of OH, although it has never written any business in OH. The Company writes both Commercial HMO and Medicaid covered HMO.

- Number of States Licensed: 2
- Percentage of business written in:
 - West Virginia 100%
 - Ohio 0%
- > Lines of business written:
 - Commercial HMO

- Medicaid HMO
- > Targeted market:
 - Medicaid HMO
- Primary source of revenue:
 - Underwriting Gain from Medicaid LOB
 - Investment Income
- > Reinsurance:

Coventry Health & Life Insurance Company

18. Do you have the completed Exhibit B Exam Planning Questionnaire for each company?

Answer: Company is still preparing.

19. Are prior exam reports available for review by bidders?

Answer: See response #4.

20. The RFQ states WVOIC staff will be assigned to examination for training and participating in the work. How many staff examiners are anticipated to be assigned?

Answer: 1-2

21. May some of the examination work be performed remotely with approval and when appropriate?

Answer: See response #3.

22. Is the prior examination report available on the WVOIC website? If not, may we receive a copy?

Answer: See response #4.

23. Will West Virginia be acting as the lead state on the examination? If not, is it known which State may perform that function?

Answer: No at this time we are planning are participating with Missouri when they perform examination of Coventry Life and Health IC.

24. Is it anticipated that other States may provide staff on the examination?

Answer: No.

25. How many affiliated entities may be involved in the coordinated examination process?

Answer: Not known at this time.

26. Could you tell me the total assets and surplus for each company?

Answer: See response #4.